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Corporate and Industrial Sites in the World's Third-Largest Economy

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AROUND THE SOUTH



Missouri Gov.
Matt Blunt

Missouri is on a Huge Role

In 15 years, we have never "officially" cited Missouri in the annual SB&D 100 ranking. Yet, you'll find plenty of superlatives about The Show Me State in this issue, the 2007 SB&D 100. Missouri had its best year in "100" history, without a doubt. In fact, between January of 2005 and March of 2006, the state rang up 82,500 new jobs and topped its best points year in our ranking by more than 100

points, earning an "Honorable Mention" in the state category (turn to pages 46 and 47 and other pages in the 2007 SB&D 100 section, found in this issue). Apparently, change is in the wind.

Alabama Beats Louisiana for \$3.7 Billion ThyssenKrupp Steel Facility Expected to Create 2,700 Jobs

In the spring quarter, Alabama triumphed over Louisiana in the contest to win the \$3.7 billion ThyssenKrupp AG steel-mill complex, which is projected to employ 2,700 workers by 2010. In winning what may be the biggest private industrial development project of the decade, Alabama offered TK \$811 million in cash and tax incentives, and the Alabama State Port Authority promised to invest at least \$115 million at the Port of Mobile, less than Louisiana's \$197 million, which reflected the extensive work that needed to be done at the proposed site near Baton Rouge.

Port Mobile will build a terminal where steel slabs from a TK mill in Brazil are to be transferred from ships and onto

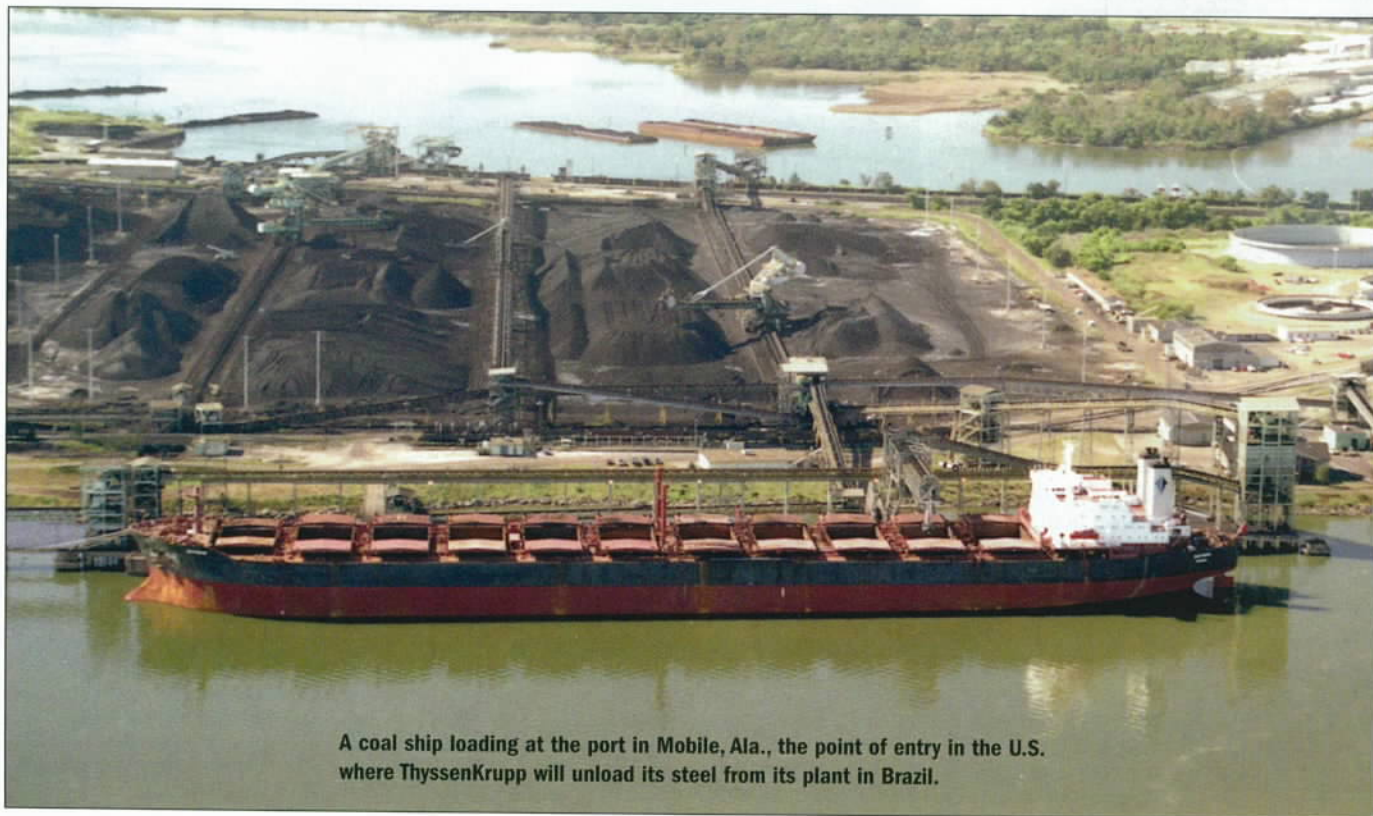


QUIZ

Going "green" is such a growing trend (and rightly so) that we are planning an issue in the near future about the entire industry as it relates to economic development. You've heard about the loss of forests in South America and elsewhere and how that loss affects global climate change. Here's an interesting item. What percentage of the entire South's land is made up of forestland?

- (a) 22 percent (b) 60 percent
(c) 41 percent (d) 38 percent

Answer on page 10.



A coal ship loading at the port in Mobile, Ala., the point of entry in the U.S. where ThyssenKrupp will unload its steel from its plant in Brazil.

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We can't think of a better way to judge a state's attractiveness to industry than to count and identify the companies making significant financial commitments to that state. That's what we do with the annual SB&D 100. We count the number of companies making public commitments of 200 jobs or more and/or \$30 million in investment or more. We feel very strongly that major corporate announcements are a better measure of a state's willingness and ability to accommodate your project than any other measure that's available.

The annual ranking of the top 100 corporate job and investment announcements made in the South gives you critical insight into areas of the region that could become a future home for your company. If you are expanding, relocating or simply launching a new company in the South, the SB&D 100 will guide you to the hottest states, markets and industries in the region. By studying the SB&D 100 (the 100-largest job and investment deals announced last calendar year) as well as the "Just Missed Deals," you'll discover which markets in the South hold certain industry clusters – clusters that you may serve or may serve you.

All announcements found in the 2007 SB&D 100 were made public in calendar year 2006 by a representative of the company that is listed. Job and investment totals are those that have been projected by a company spokesperson over a three-year period. Only new, expanded and relocated selected service and manufacturing projects are eligible for the ranking. Government projects such as prisons and military bases are eligible, however, retail, lodging and some entertainment-based announcements are not. Real estate investments such as office buildings and industrial parks are not eligible.

Ten points are earned for each SB&D 100 announcement and five points are given for each JMD (just missed deal). This year's SB&D Job 100 threshold is 400 jobs, so all announcements made of 400 jobs or more earned 10 points. Five points are given for announcements 200 jobs to 399 jobs. This year's SB&D Investment 100 threshold is \$78 million. All deals announced of \$78 million or more earned 10 points. Deals announced from \$30 million to \$77.99 million earned five points. Category rankings include State, Mega-Market (2 million-plus pop.), Major Market (750,000-1.99 million), Mid-Market (250,000-749,999), Small Market (100,000 to 250,000), and Micro-Market (10,000 to 99,999).



By Mike Randle

All and All, a Mixed Up Year

TOTAL JOBS DROP, BUT INVESTMENT TOTALS GO OFF THE CHARTS

On the Jobs Side

The 2007 SB&D 100 saw the total number of jobs created by the top 100 projects announced in the South in calendar year 2006 drop for the first time in four years. The number of jobs created by this year's SB&D 100 totaled 82,513, or about 10,000 less jobs than what was created by the 2006 SB&D 100 (92,847). Since bottoming out in the 2003 SB&D 100 with 68,651 jobs (calendar year 2002 data), the total number of jobs generated by the South's 100-largest projects has steadily increased until this year. The fact that so many markets in the region were well below the national unemployment rate average in 2006 could be one reason for the declining total found in this year's "100" ranking.

While the sum of all jobs created by the top 100 projects announced in the South in calendar year 2006 did drop, we can say without a doubt that the quality of jobs being created in the South are getting better with each year. Low wage deals that used to show up on our lists in significant numbers have all but vanished. Take a look and see how many apparel, textile, agribusiness and other, typically low-wage projects made any of our lists. There are just a few.

Replacing that sector are higher wage deals in information technology, headquarter relocations, aircraft and aerospace, financial services, the life sciences (www.BioIndustrySouth.com) and of course, the ever-growing automotive industry that makes up the tremendously successful Southern Automotive Corridor (www.SouthernAutoCorridor.com).

While we are still a long way off from the number of jobs created by the top 100 projects each year in the go-go '90s (the average total was approximately 124,000 between 1995 and 1999), this year's sum remains well above the recession years we

experienced earlier this decade. But, it is a concern that there were 10,000 less jobs created in 2006 than in 2005. Again, it's the first time since 2003 that the corporate elite failed to top the previous year in job creation.

Also a concern is the fact that the biggest deals announced in the South in calendar year 2006 were smaller. This year's 100th-largest announcement creates a threshold that is a unique and critical indicator of how well we are faring here in the South each and every year. This year's threshold was 400 jobs. Last year it was 483. We wrote in last year's SB&D 100 that we were "inching ever so closely to the magical 500 threshold mark, a level not reached since 1999." Now, with this year's crop of big announcements, we are back down to 400.

Chart No. 1

***Total Jobs Created by the SB&D Job 100 - 1994-2007**

Year	Jobs Created
2007	82,513
2006	92,847
2005	91,135
2004	75,418
2003	68,651
2002	82,826
2001	111,758
2000	113,136
1999	116,721
1998	125,226
1997	136,442
1996	124,011
1995	118,550
1994	94,431

* Job totals are derived from announcements made the previous calendar year

Just Missed Deals

While the total jobs generated by the South's 100-largest corporate job announcements decreased this year compared to last year—meaning smaller deals are occurring—there is a much greater concern about this year's SB&D 100 on the jobs side. Total projects with 200 or more announced jobs decreased dramatically this year compared to last year. Last year saw 364 companies in the South announce new, expanded or relocated deals with 200 or more projected jobs (that includes the top 100 projects). The year before that it was 391 with 200 or more announced jobs. This year's "100" saw the total number of deals with 200 or more announced jobs drop to one of its lowest levels ever, all the way down to 278.

Again, it could be that unemployment rates are so low in so many places in the South that labor availability is at a premium, therefore less big deals are being announced. And let's not forget about baby-boomers retiring. The South has always been a melting pot for retirees from all over the world and we know for a fact that number has never been higher.

The top job-making announcement made in calendar year 2006 and No. 1 on the 2007 SB&D 100 list is Kia Motors (2,893 jobs). Kia is building an auto assembly plant in West Point, Ga. Other huge deals made in the South in 2006 include Air Tran's 2,500-employee expansion in Atlanta, The Film Factory production studio in New Orleans (2,253 jobs), Fidelity Investment's new project in Raleigh (2,000 jobs) and Gulfstream's 1,500-employee expansion in Savannah. But those making up the top five employment deals announced in the South in 2006, while incredibly significant, pale in comparison to the top five last year. Four of last year's top five employment deals totaled 4,000 jobs or more.

Top Industry Sector Performers

Call centers have reigned industry sector champions for many years now when it comes to big job deals in the South. This year is no exception with 41 call centers expanding or starting up in the region in 2006, all with 200 announced jobs or more. Distribution and warehousing, which has consistently ranked just behind the automotive industry for quite awhile, took the second-place spot this year for the second year-in-a-row with 29 deals of 200 jobs or more. Information technology came in third, with 24 big deals and headquarter relocations and expansions and aircraft/aerospace followed right behind with 21 each. The automotive industry (18 projects) fell to sixth place, the first time that sector has not placed in the top five industry sectors with 200 announced jobs or more since 1997.

Chart No. 2

Top 10 Industries 2007 SB&D 100

(Total Announced Deals in calendar year 2006 with 200 Jobs or More)

INDUSTRY	DEALS
1. Call Centers	41
2. Distribution	29
3. Info Technology	24
4. Headquarters	21
5. Aircraft/Aerospace	21
6. Automotive	18
7. Food & Beverage	16
8. Financial Services	14
9. Wood Products	10
10. Electronics	7

New vs. Expanded: Again, Debunking the Myth

We have written several times that year after year the SB&D 100 exposes the myth that "80 percent of jobs created come from existing industry." Even a CEO, site searching exec or consultant like yourself has heard that untruth over and over and over. While 80 percent of new jobs may be created by existing industry in other parts of the country, it's just not the case in the South. Every year since 1993 the SB&D 100 has proven it. One of the biggest problems fac-

ing the South's economy is that so many economic developers and political leaders in the region have bought into that flawed theory. Let us repeat it for the non-believers. There is no possible way that 80 percent of all new jobs, or capital investments, for that matter, come from existing industry that expands in the South.

We will admit that in most years, the majority of new jobs created in the South are sourced from existing and expanding business and industry. But it's nowhere close to 80 percent. In fact, there have been several years in the South, all in the mid-1990s, when there were more jobs created by new industry than by expanding/existing industry. Of course, that's based on the criteria of this ranking, which by the way, is anything but arbitrary. No publication that we know of publishes every single corporate announcement that is used in its ranking. We reveal every deal we use in our rankings. Just check out the charts found in this section.

This year's SB&D 100 numbers show that there were 121 new projects and 157 expanded projects from existing industry with 200 jobs or more announced in the South in 2006. If our calculations are correct, then that means that of the 278 deals of 200 or more jobs made in the South last year, 57 percent came from existing/expanding industry and 43 percent from new projects. Again, not even close to the myth of "80 percent of all new jobs come from existing industry."

Last year saw a similar ratio when 55 percent of the deals came from existing industry and 45 percent came from new announcements. Eighty-percent of all new jobs come from existing industry? That's a fable when it comes to economic development in the South and it's been that way every year since we've gone to the trouble of putting together this ranking.

Manufacturing vs. Non-manufacturing: Again Debunking the Myth, Part II

Here's another falsehood spread by the uninformed about economic development in the South. Haven't you heard? "Manufacturing is dead and it's not coming

back." If you are a regular reader of this magazine, you may remember the 2005 SB&D 100 headline. It read, "Shocker! Manufacturing Dominates the Service Sector in the 2005 SB&D 100." Sure, the investment side of the "100" has always been dominated by the manufacturing sector. But that's not a fair comparison. Manufacturing will always outperform services in total investment.

This year's SB&D 100 debunks myth No. 2 that manufacturing is a dinosaur. Nothing could be further from the truth in the South. Of the 278 corporate and industrial deals announced in the South with 200 jobs or more, 123 were of the manufacturing variety and 157 came from the services sector. I'd say that's a nice balance, don't you think?

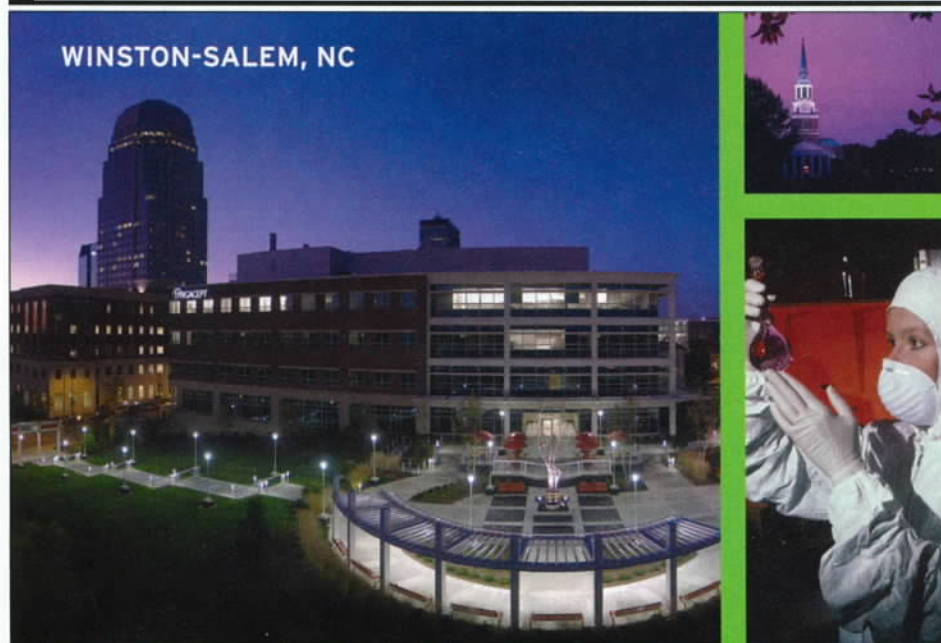
To prove to you that manufacturing is not dead in the South, let's look at all deals announced in the region from calendar years' 2002-2006 with 200 announced jobs or more. During that time there were 1,593 deals announced in the region with 200 or more jobs. Of those, 686 were manufacturing deals and 907 came from the services sector. In other words, in the last five years—five of the worst years—I might add, according to the experts when it comes to opinions regarding the performance of the manufacturing industry in this country, 43 percent of all job-making announcements with 200 jobs or more came from the manufacturing sector. That percentage hardly represents a dead industry.

In conclusion, there's no question that these numbers expose the myths as they relate to the South that "80 percent of all jobs come from existing industry" and that "manufacturing is dead." When someone makes those claims simply ask them, "Alright, what part of the country are you referring to? Are you talking about the U.S. as a whole? Are you talking about the Northeast or West?" It's important to make those qualifiers in an effort to know the truth, because there's one thing we've learned about the South's economy; it has very little in common with the rest of the country's economy. That's been true for over 100 years in the good and the bad.

On the Investment Side

While the jobs side of the SB&D 100 has declined after four years of steady, yet unspectacular recovery from the recession years, the investment component of the list has raced to a new record again. Last year's SB&D 100 saw \$26.7 billion invested by the top 100 investments in the region. At the time, that was a record.

This year's SB&D Investment 100 totaled \$44 billion in capital invested by the corporate elite in the South. That figure blows the lid off all investment years in the region. The \$44 billion represents the total value of the 100-largest investment deals announced in the South in calendar year 2006. Can you say "oil and gas?"



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Chart No. 3

Manufacturing vs. Non-Manufacturing

(Total Deals in the South with 200 Jobs or More)

Year	Mfg.	Non-Mfg.	Total Deals
2006	123	155	278
2005	123	241	364
2004	198	183	381
2003	145	160	305
2002	97	168	265
2001	105	232	337
2000	179	299	478
1999	194	246	440
1998	248	292	540
1997	229	272	501
1996	235	251	486
1995	256	213	469
1994	241	189	430
1993	234	162	396

Chart No. 4

SB&D Investment 100 1993-2005

	Total Investment	Threshold
2006	\$44 Billion	\$78 Million
2005	\$26.7 Billion	\$71 Million
2004	\$22.2 Billion	\$70 Million
2003	\$22.1 Billion	\$55 Million
2002	\$18.3 Billion	\$50 Million
2001	\$25.0 Billion	\$78 Million
2000	\$25.8 Billion	\$80 Million
1999	\$24.6 Billion	\$80 Million
1998	\$22.6 Billion	\$75 Million
1997	\$19.8 Billion	\$70 Million
1996	\$23.8 Billion	\$72 Million
1995	\$22.6 Billion	\$68 Million
1994	\$18.8 Billion	\$50 Million
1993	\$17.4 Billion	\$50 Million

In calendar year 2006, there were 222 corporate investments made with \$30 million or more in investment. That is about the same as last year's total of 233 and the year before that saw 217. It should be noted that we do not count retail, speculative real

estate (office or industrial buildings not built for a specific user), lodging or residential real estate projects.

This year's record year includes the typical suspects, such as semiconductors, automotive, steel, pharmaceuticals and the like. But there are some new industries making the list and they center on energy production. Oil and gas has always been a big player in the South. But, ethanol projects continue to be a hot, new investments as are the biofuels. And wind farms are making it onto our top 100 investment list for the third straight year. Expect green energy projects to grow with every year. Those deals are simply reactionary projects. We wish they were more proactive investments that we discovered on our various lists years ago.

Top Industry Sector Performers

For the first time in eight years, the automotive industry did not top all other industry sectors in total investment in the South. Automotive fell to second place as oil and gas posted two more big deals on the \$30 million and over list than did automotive. The chemical industry, building materials and food and beverage were the sectors that rounded out this year's top five investment industry sectors.

Chart No. 5

Top 10 Industries 2007 SB&D 100
(Total Announced Deals in calendar year 2006 with \$30 Million or More in Investment)

Industry	Deals
1. Oil & Gas	25
2. Automotive	23
3. Chemicals	22
4. Building Materials	19
5. Food & Beverage	18
6. Distribution	13
7. Aircraft/Aerospace	11
8. Bio/Pharma	10
9. Headquarters	8
10. Utilities	6

New vs. Expanded and Manufacturing vs. Non-Manufacturing

There were 106 new deals announced in the South last year with \$30 million or more in total investment and 116 came from expansions. Not unlike every year since 1993, in 2006 manufacturing ruled on the investment side of the South's big-bear-deal-sheet. Of the 222 \$30-million-plus corporate investments announced in the South in 2006, 158 were from manufacturers and only 64 came from non-manufacturers. Distribution, headquarters, financial services and a relatively new category —very expensive, "Fort Knox" fashioned data centers —topped the non-manufacturing list.

2007 SB&D 100: State Performances

Compared to last year's totals, only six Southern states turned more deals that featured 200 or more jobs and/or \$30 million or more in investment and 11 states lost ground from last year. The biggest gains were earned by Missouri (+21 deals), Louisiana (+10 deals) and Georgia and Texas (+8 deals).

The biggest losers from the 2007 SB&D 100 compared to the 2006 ranking were Florida (-45 deals) and North Carolina (-34 deals). We received data from Tennessee that showed they were short 28 big projects from last year's total of 41 (giving them a mere 13 this year). But we know full well that Tennessee's report was not complete. We tried to get Tennessee's data from 2006, but we failed, something we rarely do. I can remember only three instances when we received an "incomplete" from a state over the last 15 years and Tennessee is one of those three this year. That being the case, simply ignore Tennessee's numbers because they are wrong.

It should also be noted that both Florida and North Carolina, particularly the Tar Heel State, were on a roll the last couple of years, as evidenced by North Carolina being named "State of the Year" with Alabama in 2005 and 2006. But, Florida and North Carolina are two states who have a roller coaster history when it comes to this

ranking. This year's numbers from North Carolina and Florida are perfect examples of those ups and downs that they have experienced over the last 15 or so years.

We must put in some positive comments about Alabama, Texas, Louisiana, Georgia and, in particular, Missouri. Alabama had another 300-plus-point year. That's unbelievable. Alabama has earned "State of the Year" in this ranking the last four years. Texas is back in a big way, but, they still have a ways to go. Louisiana, performing as they did in 2006 was an incredible achievement, considering what that state went through in 2005. And Missouri, well, their year simply came out of left field. A remarkable year was accomplished by economic development and elected officials in Missouri in 2006.

You can read much more about each Southern state's performance in calendar year 2006 by turning to pages 46 and 47.

2007 SB&D 100:

TOTAL POINTS

State	
ALABAMA	305
ARKANSAS	25
FLORIDA	260
GEORGIA	250
KANSAS	55
KENTUCKY	230
LOUISIANA	220
MARYLAND	5
MISSISSIPPI	115
MISSOURI	355
NORTH CAROLINA	375
OKLAHOMA	70
SOUTH CAROLINA	175
TENNESSEE	95
TEXAS	955
VIRGINIA	250
WEST VIRGINIA	70

TOP 2007 DEALS & HOT MARKETS

By Mike Randle

There are Changes in the Wind

In the 14-year history of the SB&D 100, only six states have been awarded the coveted "State of the Year." Those are Alabama (four times), Florida (twice), North Carolina (three times), Tennessee (once), Texas (twice) and Virginia (three times). I know that adds up to 15 winners in 14 years. Well, North Carolina and Alabama shared "State of the Year" honors in 2005 and 2006 and you haven't read yet who won "State of the Year" this year, but let's just say that you can add a seventh Southern state to the that list.



Executive management team: first row, starting third from left, Deputy Secretary Fran Gladden, Secretary Michael Olivier and Undersecretary Sharon Perez; first row, second from right, Assistant Secretary Don Pierson
First row, far right, Governor Kathleen Babineaux Blanco

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TOP DEALS & HOT MARKETS

The results of the 2007 SB&D 100 clearly indicate that there are changes in the wind when it comes to economic development in the South. States that typically do not generate as many large job generating and capital investment deals as the "regulars" are now challenging the elite like never before. Case in point: Missouri has averaged 159 points in the SB&D 100 since 1994. There's no question that's an underperforming average during that time for a state with nearly 6 million residents.

But, Missouri is a border-South state and all of those except for Kentucky (Kansas, Missouri, West Virginia and Maryland), struggle to keep up with non-border states in the South when it comes to economic development in general. History has shown they just do not turn as many deals as other states in the South. It's not their fault. It's simply because they must play both sides of the fence when other states in the South do not have to play that game. Maryland and West Virginia are uniquely linked with the South and the Northeast. Missouri and Kansas must play the economic development game with Southern states and with Midwestern states. I've always thought that was a disadvantage for border-South states.

Regardless of those possible disadvantages, out of the blue, Missouri puts up 355 points on this year's SB&D 100 board. We strongly considered giving the honor of "State of the Year" to Missouri this year, considering their 159 point average over the last 13 years. But no, we decided to pick another Southern state this year that has never been recognized as "State of the Year" in the South. Yet, we are very impressed with what Missouri Gov. Matt Blunt has done as well as his economic development team. Now let's see if they can keep it up.

In addition to Missouri's great performance, Alabama's (for the fifth straight year) and Texas' efforts should be given special emphasis in this year's SB&D 100. Secondly, North Carolina, Georgia, Kentucky, Mississippi and South Carolina should be mentioned as well for their performances in calendar year 2006. Of course, none of those states include our "State of the Year" (read on).

Alabama has earned "State of the Year" honors the last four consecutive years. Should we have given it to them again this year? Probably. They are at the top, again, of the PPM (Points Per Million) ranking. But Alabama is going to have to settle with a "Honorable Mention." This year's SB&D 100 had too many "gray" areas running through it and Alabama's point total dropped for the first time since we named them "State of the Year" way back in 2003.

Texas is back with a vengeance, posting over 900 points. I know, other economic development magazines are giving it up to Texas like never before. "Hold on, there," we say. We remember the go-go '90s. Texas' performance in the 2007 SB&D 100 is very good, but it is not great compared to what the Lone Star State did in the mid-to-late 1990s. So, even with an incredible total, Texas ranked just 7th in the South in our critically important PPM category (Points Per Million residents), a factor that we take very seriously in our state ranking. Seventh in PPM won't get you "State of the Year," but it might get you an "Honorable Mention," which we are giving to Texas.

In the market category rankings (Mega-Markets, Major Markets, Mid-Markets, Small Markets and Micro Markets), the following states had markets that earned recognition based on the points they earned. It should be noted that we recognize the top three in each market peer group unless there is a tie in points earned.

Alabama: Four markets recognized

Georgia: Three markets recognized

Kentucky: One market recognized

Louisiana: Two markets recognized

Missouri: Four markets recognized

North Carolina: One market recognized

Texas: Four markets recognized

How We Rank States and Markets

It should be noted that the SB&D 100 is not a survey of executives who choose which markets they believe are the most attractive in the South. The Hot Markets report ranks states, mega-markets (over 2 million in population), major markets (750,000-1.99 million), mid-markets (250,000-749,999), small markets (100,000-249,999) and micropolitan markets (10,000-99,999), based on the number of corporate and industrial job and investment announcements they successfully attract that feature 200 or more jobs and/or \$30 million or more in investment. We simply count how many deals each state or market turns and each deal is given five or 10 points, depending on the size of the project. If the project ranks as one of the 100-largest job or investment deals announced in the South during the year, it earns 10 points for that state and/or market. If the deal is 200 jobs or more, and/or \$30 million or more in investment, but does not make either "100," then five points is awarded.

GREATER NEW ORLEANS, INC.

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OUR ECONOMIC DEVELOPMENT ALLIES
FOR THEIR HARD WORK
AND ACHIEVEMENT.

OUR RANKING PROVES
THAT WE ARE COMING BACK
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State Category

Louisiana: State of the Year 220 Points

You might be wondering why Louisiana is our choice of "State of the Year" when they earned 220 points, huh? Let us go to the "gray" area of economic development (see Southbound column, page 4). In 2003 we named Alabama "State of the Year" for the first time ever and that state put up just 280 points. We knew Alabama was just getting started back in 2002 (the year numbers were used for the 2003 SB&D 100). Two years later, economic development and general-reach business magazines were giving Alabama all kinds of awards and such. In other words, we knew two years before anyone else did that Alabama was "hot" and would get even hotter, as evidenced by "State of the Year" honors in 2003, 2004, 2005 and 2006.

We feel the same way, to an extent, about Louisiana. More importantly, though, we are honoring Louisiana with "State of the Year" this year because they almost doubled their point total from the year before, jumped from 13th to 3rd in PPM in one year and they did it under very difficult conditions.

Unless you've lived in a cave since the summer of 2005, you know what has happened to much of south Louisiana and the state as a whole. The leadership there has overcome so much and to put 220 points on the board the year after hurricanes Rita and Katrina, well, that is just outstanding. Nope, it is even more than that. Louisiana has done the impossible and they did it when they were backed in a corner in a big way.

While there were many communities that helped Louisiana win its first State of the Year award, we do want to mention that New Orleans came in second in the Major Market division and Baton Rouge won Mid-Market of the Year in the 2007 SB&D 100.

Honorable Mentions

Missouri: 355 Points, 2nd in *PPM

Alabama: 305 Points, 1st in *PPM

Texas: 915 Points, 7th in *PPM

* Points per million residents

Mega Markets

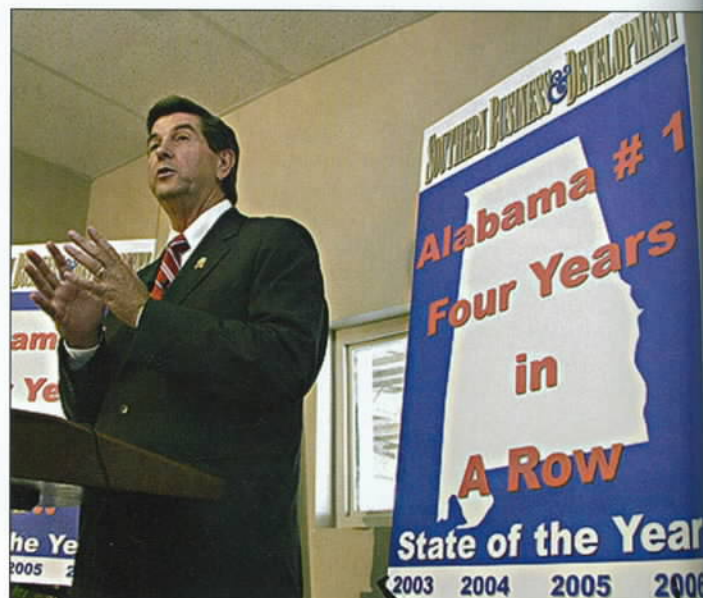
St Louis:

Mega-Market of the Year
165 Points

Houston:

Mega-Market of the Year
165 Points

This a first for both St. Louis and Houston. Almost every year, Dallas/Fort Worth or Baltimore/Washington/D.C. takes this prize. St. Louis had its best year by far with several notable deals making this year's SB&D 100 lists. World Wide Technology, McCormick Scientific, Jambo Kenya Coffee, CDM Electronics, Ungerboeck Systems, Chemir, Procter and Gamble, Momentum NA, American Healthways, Thayer Aerospace, LaBarge and Express Scripts are several of the companies that made either large investments in capital or labor, or both, in the St. Louis mega-market in calendar year 2006.



Alabama Gov. Bob Riley at last year's press conference announcing that Alabama had earned State of the Year from SB&D for an unprecedented fourth consecutive year. Alabama almost won it again this year, but had to settle for an Honorable Mention.

As for Houston, it too, has won Mega-Market of the Year for the first time. Lockheed Martin, Enterprise Products, Hewlett-Packard, Kinder Morgan, Kaneka, AAA Furniture, Dianal America and Englehard/BASF, were some of the companies that took Houston's point total to the top in the mega-market category.

Honorable Mentions

Dallas/Fort Worth: 160 Points

Atlanta: 125 Points

Major Markets

Kansas City:

Major Market of the Year
195 Points

As we've written, there are changes in the wind. While St. Louis tied with Houston, and won its first Mega-Market of the Year, Kansas City has now won its first Major Market of the Year award. Kansas City just had a monster year. In fact, Kansas City's 195 points topped eight other Southern STATES in this year's "100" ranking.

Some of the companies that helped launch Kansas City to the top of the Major Market list include Eastern Isotopes, Bank Midwest, Triad Media, Fujifilm Sericol, Synbiotics Corp., Folger Coffee, International Paper, Proteon Therapeutics, Farmland Foods, Matrix Medical, E.T. Archer, MMG Worldwide, Walsworth Publishing and Chicago Metal.

Honorable Mentions

New Orleans: 120 Points

Charlotte: 100 Points

San Antonio: 100 Points

	JOB 100	JOB JMD	INV 100	INV JMD	TOTAL DEALS	TOTAL POINTS	*PPM
ALABAMA	6	21	6	16	49	305	1ST
66.3 POINTS PER MILLION							

The State of Alabama could have won its fifth consecutive "State of the Year" honor with another 300-point-plus performance. We considered that possibility while reviewing this SB&D 100. Again, Alabama placed first in the critical Points Per Million category with 66.3 points. That's a huge factor when we name our annual "State of the Year." But, Alabama saw its point total drop for the first time in five years, from 395 last year to 305 points this year. Regardless, this state continues its incredibly impressive economic development roll. No 5th ring for the thumb, but an "Honorable Mention" nonetheless.

ARKANSAS	2	1	0	0	3	25	16TH
8.9 POINTS PER MILLION							

Calendar year 2006 was former Arkansas Gov. Mike Huckabee's last year after almost ten years as Arkansas' governor. Huckabee is now running for President. The 25 points posted by Arkansas in this year's SB&D 100 is the Razorback State's worst point total in 15 years. Plenty of excuses can be used, like a lame-duck Governor or so much focus on the Toyota project that ended up in Mississippi rather than in Arkansas. Arkansas is apparently starting over now that Huckabee is gone. We'll be watching closely how new Gov. Mike Beebe and his new economic development team fares.

FLORIDA	10	14	5	8	37	260	15TH
14.4 POINTS PER MILLION							

Florida's big job deal roll came to a halt in 2006 as evidenced by its 15th place PPM ranking. The 260 points put up this year pales in comparison to the 530 points put up by the Sunshine State last year. Like Arkansas' Mike Huckabee, 2006 saw Florida Gov. Jeb Bush leave after two terms in office. And not unlike Arkansas, we'll be soaking in new Florida Gov. Charlie Crist's economic development agenda.

GEORGIA	5	14	9	8	36	250	11TH
26.4 POINTS PER MILLION							

The Peach State improved over last year by 50 points and eight more big deals, Kia being the most notable. That is still not enough to merit many kind words. Georgia's once mighty economic development prowess has fallen short of neighboring Alabama for the fourth straight year. That's not a per capita comparison between Alabama and Georgia. That's straight up. But, Georgia showed improvement and you've got to give credit for that.

KANSAS	2	1	1	4	8	55	12TH
19.6 POINTS PER MILLION							

After a banner year, Kansas saw the bottom drop out from 135 points last year (and a State "Honorable Mention") to a mere 55 points this year. Kansas has been landing more deals over the last several years, but not in 2006.

KENTUCKY	9	11	3	11	34	230	4TH
48.8 POINTS PER MILLION							

Kentucky posts yet another year of methodical improvement. The 230 points is its best year in six years after turning 205 points last year and 180 the year before. Like most Southern states, Kentucky struggled early this decade. But it has performed consistently in the last five years and its 4th place PPM ranking this year is very impressive.

LOUISIANA	5	4	13	4	26	220	3RD
51.1 POINTS PER MILLION							

The fact that the Bayou State rose from 13th-place in PPM last year to 3rd place this year and began achieving that lofty ranking less than six months after the hurricanes of 2005 was plenty enough reason for us to name Louisiana "State of the Year" for 2007. Louisiana turned several deals never before seen on the 15-year historical radar that we have on that state and every other state in the South, for that matter. The 220 points represent almost double the 115 it posted last year. An excellent performance in very difficult conditions. Yes, Louisiana you are living up to your motto: "Rebuild and Recruit."

MARYLAND	0	1	0	0	1	5	17TH
0.9 POINTS PER MILLION							

We need to go up and see the folks who lead economic development in Maryland. Border states in the South typically do not turn the number of deals that the traditional Southern states do. But we doubt that Maryland just turned one deal that met our criteria.

MISSISSIPPI 2 7 3 6 18 115 8TH
39.7 POINTS PER MILLION

Like neighboring Louisiana, Mississippi's big deal totals are rising. The Magnolia State hit rock bottom last year with 65 points and a 14th place finish in Points Per Million. This year, Mississippi earned 115 points and 8th Place in the critical PPM ranking. And with 2007 starting off as it has for Mississippi -- the Toyota project is just one example -- expect even further improvement next year.

MISSOURI 12 14 9 15 50 355 2ND
61.2 POINTS PER MILLION

Man, did this performance come out of the blue, or what? By a wide margin, this is Missouri's best year yet. The 2006 SB&D 100 saw The Show Me State earning 180 points, its best total since 2001. In this, the 2007 SB&D 100, Missouri lit it up with 355 points and a 2nd place PPM ranking. We strongly considered Missouri for "State of the Year" and they would have won it if Louisiana hadn't come back from the hurricanes with such bravado. The "Honorable Mention" is Missouri first.

NORTH CAROLINA 12 20 8 15 55 375 5TH
42.2 POINTS PER MILLION

After sharing "State of the Year" honors with Alabama in 2005 and 2006, North Carolina backed down a little this year from an astounding 560 points last year. Yet, the 375 points it posted on this "100" is still a good performance from the Tar Heel State. Note its 5th place PPM ranking.

OKLAHOMA 4 2 1 2 9 70 13TH
19.4 POINTS PER MILLION

Oklahoma has been a poster child of inconsistency in the 2000s. Over the last eight years, The Sooner State has earned 270 points (in 2000), 175, 170 and 120 in the good years and 75, 80, 85 and now 70 in the lean years. This year's 70 points is the state's lowest score this decade.

SOUTH CAROLINA 3 7 7 8 25 175 6TH
40.7 POINTS PER MILLION

Here is a state that has shown some consistency of late. Not a bad year for the Palmetto State, but it has done better. In 2005, S.C. came back strong with 225 points after a couple of down years. It has put up high-200-point years several times and even one low-300-point year in the past. The 175 points earned this year is about the same as last year's 180. A 6th place PPM is impressive, though.

TENNESSEE 6 7 0 0 13 95 14TH
15.8 POINTS PER MILLION

There were problems with The Volunteer State's reporting this year because of some personnel moves at the Tennessee Dept. of Economic & Community Development. So, just ignore Tennessee's scores shown above. Tennessee has a curious way of reporting deals, many of which they claim are confidential. But we usually get those. We don't print them, but give them the credit in points. We did not receive the confidential deals from Tennessee this year. Oh well.

TEXAS 35 30 31 21 117 955 7TH
40.6 POINTS PER MILLION

We've been tough on Texas in recent years, even though, after hitting rock bottom during the recession earlier this decade, they have consistently improved. The 955 points earned this year finally convinces us that The Lone Star State is back. A monster year for Texas, but not quite "State of the Year" material just yet. After all, Texas still has not yet reached their late 1990 point totals. Texas joins Alabama and Missouri as those earning an "Honorable Mention."

VIRGINIA 7 18 4 10 39 250 10TH
32.9 POINTS PER MILLION

This is Virginia's worst point total since 1995. Virginia's typical slot is about 450 points with 650 points earned the last time it won "State of the Year" in 2001. The 250 points and 10th-place PPM ranking for a state with 7.6 million people is certainly a concern.

WEST VIRGINIA 2 1 4 1 7 70 9TH
38.8 POINTS PER MILLION

Just an average to below average year for West Virginia after earning an "Honorable Mention" last year.